



# DC Health Benefit Exchange Authority

Mila Kofman, Executive Director

HBX Proposed Budget FY22

HBX Executive Board

November 18, 2020



## STAFF PROPOSED BUDGET FY22

- PROCESS: Staff, Board Finance Committee, Standing Advisory Board (diverse stakeholders) & HBX Executive Board
- Organized to Reflect Function Areas
- Efficiency: Leverage DC gov't agencies; phase-out consultants and transition to FTEs, and reduce operational costs through partnership with the Massachusetts Health Connector
  - **\$1,776,240 savings with MA partnership**
- FY22 PROPOSED BUDGET **\$33,822,083** with a **\$31,889,843** PROPOSED BUDGET FOR ASSESSMENT
  - Increase reflects call center cost changes.
  - HBX found ways to mitigate some of the increased cost of call center by renegotiating vendor contract and reducing NPS expenses.
- **Funded through an assessment on health carriers (.90%)**



## Actions to offset increase in cost of call center:

### Background (2 major changes in cost structure):

1. On September 29, 2020 CMS approved cost allocation change from 26% HBX and 74% Medicaid to 52% HBX and 48% Medicaid. FY21 approved budget is \$2,248,557 based on 26% HBX responsibility for cost allocation.
2. For FY22 call center structure is changing. DC Health Link Call Center will focus on private health insurance and tax credits. A call center run by DHCF will focus on Medicaid and other public programs. In FY22 HBX is responsible for 100% of DC Health Link call center. At current pricing total cost is **\$7,009,869**.

### HBX actions to reduce cost:

- ✓ Successfully negotiated with vendor to reduce cost.
- ✓ Budgeting for a transition to have a 100% virtual call center.
- ✓ Total proposed call center budget for FY22 is **\$4,823,675 not \$7,009,869**.



## Other actions to offset increase in cost of call center:

### REDUCTIONS IN NPS

- ✓ Reduced AMP from FY21 approved budget \$5,798,102 to \$5,657,225 FY22 staff proposed budget (this includes funding for new social justice initiative)
- ✓ Reduced Consumer Education & Outreach from FY21 approved budget \$2,995,798 to \$2,839,567 FY22 staff proposed budget (health insurance literacy reductions; no reductions in assister funding or business partner funding)
- ✓ Other divisions reduced NPS but savings were offset by personnel or other fixed/necessary expenses (e.g. rent increases)



## COMPARISON: FY21 & FY22

	FY21 APPROVED BUDGET	FY22 PROPOSED BUDGET	\$ CHANGE	% CHANGE
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$10,639,403	\$13,029,551	\$2,390,148	22.47%
CONSUMER EDUCATION AND OUTREACH	\$2,995,798	\$2,839,567	(\$156,231)	-5.22%
IT (DCHealthLink.com)	\$10,746,360	\$11,529,009	\$782,649	7.28%
AGENCY MANAGEMENT PROGRAM	\$5,798,102	\$5,651,119	(\$146,984)	-2.54%
AGENCY FINANCIAL OPERATIONS	\$767,939	\$772,837	\$4,899	0.64%
<b>TOTAL BUDGET</b>	<b>\$30,947,602*</b>	<b>\$33,822,083**</b>	<b>\$2,874,482</b>	<b>9.29%</b>

\*FY21 BUDGET FOR ASSESSMENT: \$28,696,926

\*\*FY22 BUDGET FOR ASSESSMENT: \$31,889,843



## BUDGET COMPARISON: FY21 & FY22 FTEs

	<b>FY21 APPROVED FTE</b>	<b>FY22 PROPOSED FTE</b>	<b>CHANGE</b>
MARKETPLACE INNOVATION, POLICY AND OPERATIONS (Marketplace Operations)	50.0	50.0	0.0
CONSUMER EDUCATION AND OUTREACH	5.0	5.0	0.0
IT (DCHealthLink.com)	32.0	32.0	0.0
AGENCY MANAGEMENT PROGRAM	19.0	19.0	0.0
AGENCY FINANCIAL OPERATIONS	3.0	3.0	0.0
<b>TOTAL FTE</b>	<b>109.0*</b>	<b>109.0*</b>	<b>0.0</b>

**\*7.0 FTEs FUNDED THROUGH PARTNERSHIP WITH MASSACHUSETTS HEALTH CONNECTOR**





## HBX STAFF PROPOSED BUDGET RECONCILIATION TO ASSESSMENT BUDGET

<b>FY22 Staff Proposed Budget</b>	<b>\$33,822,083</b>
<b>Less:</b>	
7.0 FTEs Budgeted for MA Health Connector	(930,240)
Admin Fees Budgeted for MA Health Connector	(264,000)
Contact Center Costs Budgeted for MA Health Connector	(212,000)
Mailing and Postage Fees Budgeted for MA Health Connector	(26,000)
FY20 Investment and Interest Earnings	(500,000)
<b>Net FY22 Budget for Assessment Calculation</b>	<b>\$31,889,843</b>



## FY22 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

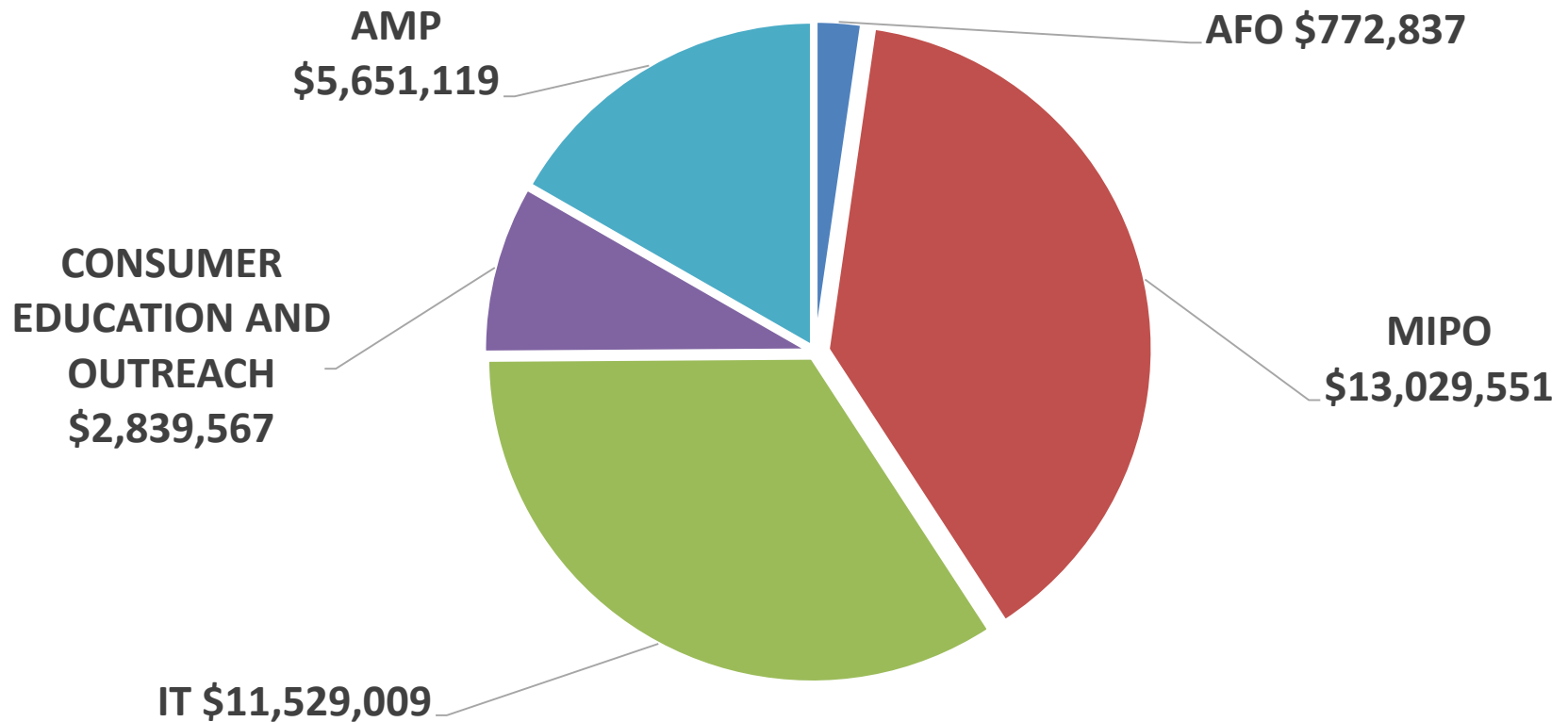
Category	FY22 Budget
Personnel – 7.0 FTEs	930,240
Admin Fees	264,000
Premium Aggregation*	344,000
Contact Center Fees	212,000
Mailing and Postage	26,000
<b>Total</b>	<b>\$1,776,240</b>

\* SAVINGS ALREADY REFLECTED IN FY22 PROPOSED BUDGET





## STAFF PROPOSED FY22 BUDGET BY PROGRAM



**FY22 BUDGET FOR ASSESSMENT: \$31,889,843**



## SUMMARY STAFF PROPOSED FY22 BUDGET

	BUDGET	FTEs
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$13,029,551	50.0
CONSUMER EDUCATION AND OUTREACH	\$2,839,567	5.0
IT (DCHealthLink.com)	\$11,529,009	32.0
AGENCY MANAGEMENT PROGRAM	\$5,651,119	19.0
AGENCY FINANCIAL OPERATIONS	\$772,837	3.0
<b>TOTAL BUDGET</b>	<b>\$33,822,083*</b>	<b>109.0</b>

**\*FY22 BUDGET FOR ASSESSMENT: \$31,889,843**



# **MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)**

**PROPOSED FY22 BUDGET: \$13,029,551 (FY21  
BUDGET \$10,639,403)**

- **FY22 PERSONNEL SERVICES BUDGET FOR 50 FTEs:  
\$6,014,376**
- **NON-PERSONNEL SERVICES (NPS): \$7,015,175**



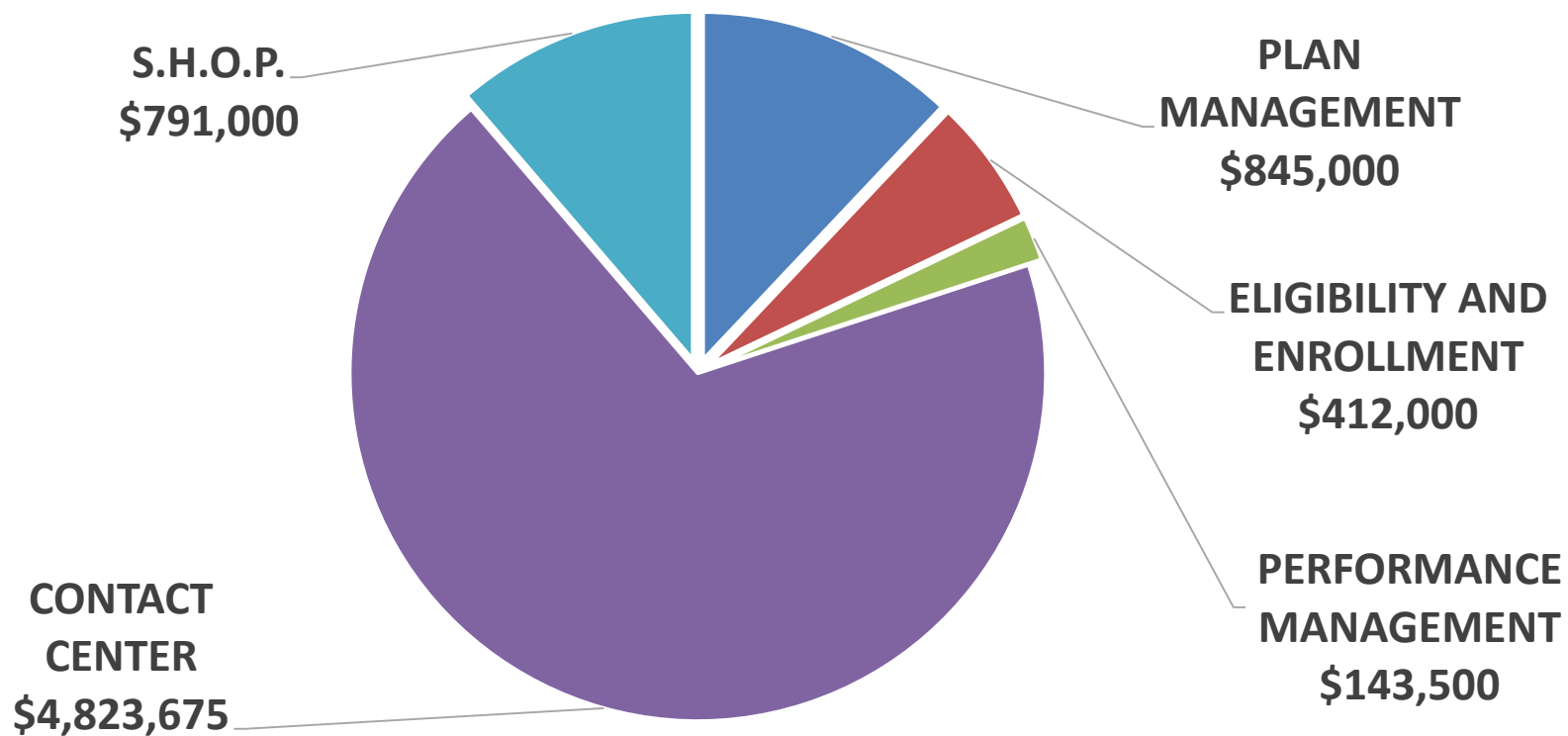
## **MIPO NPS BUDGET BY FUNCTION AREAS**

### **MIPO PROPOSED NPS FY22 BUDGET: \$7,015,175**

- CONTACT CENTER: \$4,823,675
- PLAN MANAGEMENT: \$845,000
- ELIGIBILITY AND ENROLLMENT: \$412,000
- S.H.O.P.: \$791,000
- PERFORMANCE MANAGEMENT (SOFTWARE, SUPPLIES, COMPUTER REFRESH, EMMA EMAIL TOOL, INTERNAL SURVEYS SOFTWARE, AND EMPLOYEE TRAINING): \$143,500



## MIPO NPS BUDGET BY FUNCTION AREAS





## **MIPO: CONTACT CENTER**

**(NOTE: FY22 NO COST ALLOCATION WITH MEDICAID)**

### **CONTACT CENTER PROPOSED NPS FY22 BUDGET: \$4,823,675**

- CONTACT CENTER SERVICE CONTRACT: \$3,871,341 (REDUCED PRICE ACHIEVED THROUGH NEGOTIATIONS WITH VENDOR)
- SALESFORCE LICENSES: \$139,200
- MICROSOFT 365 LICENSES: \$15,000
- ADMIN (courier service, equipment, computer refresh): \$31,230
- RENT: \$693,104
  - Rent for 9 months (L'Enfant Plaza) assumes a virtual call center for 3 months
- LANGUAGE LINE: \$73,800



## **MIPO: ELIGIBILITY AND ENROLLMENT (INDIVIDUAL MARKETPLACE)**

### **ELIGIBILITY AND ENROLLMENT PROPOSED NPS FY22 BUDGET: \$412,000**

- MOA WITH OFFICE OF ADMINISTRATIVE HEARINGS FOR ELIGIBILITY APPEALS: \$10,000
- NOTICE PRINTING/MAILING: \$102,000
- AMHARIC/SPANISH TRANSLATION OF NOTICES: \$100,000
- CONSULTING SERVICES: \$200,000





## **MIPO: PLAN MANAGEMENT**

### **PLAN MANAGEMENT PROPOSED NPS FY22 BUDGET: \$845,000**

- ACTUARIAL SERVICES: \$175,000 (reduced from \$250,000 in FY21)
- DOCTOR DIRECTORY, HEALTH PLAN MATCH, PRESCRIPTION DRUG FORMULARY LOOKUP TOOL, DENTAL PLAN MATCH: \$670,000 (negotiated lower price)



## **MIPO: SMALL BUSINESS MARKETPLACE**

**S.H.O.P. PROPOSED NPS FY22 BUDGET: \$791,000**

- PREMIUM AGGREGATION: \$500,000\*
- CONSULTING SERVICES: \$200,000
- MAILING AND POSTAGE: \$66,000\*\*
- TRANSLATION: \$25,000

*\*REFLECTS SAVINGS OF \$344,000 FROM MA HEALTH CONNECTOR PARTNERSHIP*

*\*\*INCLUDES \$26,000 TO BE REIMBURSED BY THE MA HEALTH CONNECTOR*



## **MIPO: PERFORMANCE MANAGEMENT**

### **PERFORMANCE MANAGEMENT PROPOSED NPS FY22 BUDGET: \$143,500**

- COMPUTER REFRESH, SUPPLIES, TRAINING, NAHU: \$119,500
- EMMA EMAIL TOOL: \$20,000
- INTERNAL SURVEY SOFTWARE: \$4,000



## **CONSUMER EDUCATION AND OUTREACH**

### **CONSUMER EDUCATION AND OUTREACH PROPOSED FY22 BUDGET: \$2,839,567 (FY21 BUDGET \$2,995,798)**

- PERSONNEL SERVICES FOR 5 FTEs: \$676,567
- NON-PERSONNEL SERVICES: \$2,163,000
  - OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$1,000,000 (same as FY21)
  - OUTREACH AND MARKETING: \$1,090,000 (same as FY21)
  - HEALTH INSURANCE LITERACY CAMPAIGN: \$50,000 (FY21 \$125,000)
  - DATA RESOURCES: \$20,000 (FY21 \$68,000)
  - ADMIN: \$3,000



## **IT (DCHealthLink.com)**

### **IT PROPOSED FY22 BUDGET: \$11,529,009 (FY21 BUDGET \$10,746,360)**

- PERSONNEL SERVICES FOR 32 FTEs: \$4,855,769
- NON-PERSONNEL SERVICES BUDGET: \$6,673,241 (FY21 BUDGET \$6,255,574)
  - IT CONSULTANTS: \$5,027,360
  - SOFTWARE: \$1,199,000
  - MICROSOFT 365 LICENSES: \$50,000
  - OCTO: \$45,338
  - ADMIN: \$65,300 (computer refresh, copier, supplies, training)
  - FIXED COST (RENT): \$286,243



## **AGENCY MANAGEMENT PROGRAM (AMP)**

**AMP PROPOSED FY22 BUDGET: \$5,651,119 (FY21 BUDGET \$5,798,102)**

**PERSONNEL SERVICES FOR 19 FTEs: \$3,396,331**

**NON-PERSONNEL SERVICES BUDGET: \$2,254,788**

- **FIXED COST (INCLUDES RENT, TELEPHONE & SUPPLEMENTAL HVAC): \$1,664,738**
- **MOA WITH DCHR FOR HR SUPPORT SERVICES: \$107,250**
- **MOA WITH DISB FOR ASSESSMENT SERVICES: \$50,000**
- **MOA WITH CONTRACT APPEALS BOARD: \$5,000**
- **LEGAL EXPENSES (CONSULTANTS, WESTLAW, ETC): \$38,500**
- **EMPLOYEE TRAINING (INCLUDING SOCIAL JUSTICE INITIATIVE TRAINING): \$220,000**
- **MEMBERSHIPS & SUBSCRIPTIONS (INCLUDING NASHP): \$23,000**
- **CONSULTING SERVICES: \$40,000**
- **ADMIN (COMPUTER REFRESH, EQUIPMENT, TRAVEL, OFFICE SUPPLIES): \$106,300**



## **AGENCY FINANCIAL OPERATIONS (AFO)**

**AFO PROPOSED FY22 BUDGET: \$772,837 (FY21 BUDGET \$767,939)**

- **PERSONNEL SERVICES FOR 3 FTEs: \$608,837**
- **NON-PERSONNEL SERVICES: \$164,000**
  - AUDITING SERVICES (INCLUDING CAFR, SMART AUDIT): \$150,000
  - EMPLOYEE TRAINING AND TRAVEL: \$7,000
  - ADMIN (COMPUTER REFRESH, SUPPLIES): \$7,000





## **During the pandemic, we've made it even easier to get insured and stay insured:**

- ✓ **Anyone who needs health insurance can enroll today and coverage can start immediately. Just select COVID-19 as a qualifying event.**
- ✓ **Small businesses and nonprofits that can't afford to contribute to an employee premium can still sign up.**
- ✓ **There are no late fees or interest for late payment of premium for employers covered through DC Health Link.**
- ✓ **Neither residents nor businesses will have coverage terminated for non-payment of premium.**



## Open Enrollment Nov 1, 2020 to January 31, 2021 for District Residents

- ✓ Window shopping **October 15 to October 31**: preview 2021 health plans and rates before Nov 1.
- ✓ 2021 premiums are **lower** than 2020 premiums for 15 of 25 plans.
- ✓ **No deductibles** for primary care, specialists, mental and behavioral health, urgent care and generic Rx.
  - ✓ Shop Bronze, Silver, Gold, and Platinum **Standard** plans for no deductibles.
- ✓ All plans cover diagnosis, testing, and treatment for COVID-19 at no cost to patient (no copayment, no coinsurance, no deductible).



## ACA Works

- **Near Universal Coverage:** Nearly 97% of DC residents covered
  - DC ranks **#2** in U.S. for lowest uninsured
  - Cut uninsured rate in ½ since DC Health Link opened for business
- **DC Health Link Small Group & Individual Market:**
  - **100,000 covered lives** (private health insurance); new market for individual dental plans
  - **5,100+** District small businesses
  - **25 plans** from Kaiser and CareFirst for residents
  - **163 plans** from Aetna, United HealthCare, Kaiser Permanente and CareFirst Blue CrossBlue Shield for small businesses (2021)
  - **800+** DC Health Link brokers



## HBX Recent Awards and Recognition

- ✓ **Won 2019 Sustainability and Equity Award:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Featured in the Fall 2019 AWS City on a Cloud International Announcement For Applications:**  
<https://aws.amazon.com/stateandlocal/cityonacloud/>
- ✓ **Won 2018 & 2016 Best Practices in Innovation:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Ranked #1 for consumer decision support tools (ranking of State-Based Marketplaces and Federal Exchange 2018 and 2017) (no report in 2019)**
- ✓ **Five PR News Awards in 2019 and 2018**
- ✓ **2017 AWS IT case study on cloud solutions:**  
<https://aws.amazon.com/solutions/case-studies/DC-HBX/>
- ✓ **First in the nation SBM partnership:** Selected by the Massachusetts Health Connector to provide IT solution and on-going operations support for the MA SHOP (Feb 2017)